

Department of Social and Health Services

**DP Code/Title: M2-AD Title IV-E State and Federal Switch**

**Program Level - 010 Children's Administration**

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Budget Period: 2003-05    Version: A2 010 2003-05 2004 Sup-Agency Req

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**Recommendation Summary Text:**

The Children's Administration (CA) is requesting the restoration of \$5.2 million General Fund-State of the \$20.2 million assumed in the 2003-05 Title IV-E state/federal switch step. Statewide result number 5.

**Fiscal Detail:**

**Operating Expenditures**

	<u><b>FY 1</b></u>	<u><b>FY 2</b></u>	<u><b>Total</b></u>
<b>Program 010</b>			
001-1 General Fund - Basic Account-State	2,600,000	2,600,000	5,200,000
001-A General Fund - Basic Account-DSHS Fam Support/Chi	(2,600,000)	(2,600,000)	(5,200,000)
<b>Total Cost</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Staffing**

**Package Description:**

Over the past four years, CA staff have been working to increase the Title IV-E penetration rate. As a result, CA has been able to increase the number of IV-E eligible children and decrease the total children counted, thus increasing the penetration rate from an average of 37 percent to an average of 55 percent per year.

The increase in the penetration rate has resulted in an increase in Title IV-E, which will enable CA to switch approximately \$15 million (\$7.5 million per year) General Fund-State to General Fund-Federal. The 2003-05 Budget assumes a switch of \$20.2 million (\$10.1 million per year). This request is a placeholder as CA is reviewing additional steps to further maximize federal funds, but estimates Title IV-E earnings will fall short of the budgeted amount by \$2.6 million per year.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

This decision package contributes to the CA goal to continuously improve the organization's capacity to achieve better outcomes for children and families.

***Performance Measure Detail***

**Goal:**

**Incremental Changes**  
**FY 1      FY 2**

***Reason for change:***

The Title IV-E state and federal switch of \$20.2 million assumed in the 2003-05 Budget will be a challenge for CA. Factors such as Random Moment Time Sample responses, federal directives and policy changes will impact earnings. CA estimates that federal funding can be maximized up to \$15 million.

***Impact on clients and services:***

None

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***Impact on other state programs:***

None

***Relationship to capital budget:***

Not applicable

***Required changes to existing RCW, WAC, contract, or plan:***

Not applicable

***Alternatives explored by agency:***

CA will continue to assess cases for Title IV-E eligibility.

***Budget impacts in future biennia:***

Additional funding would carry forward in future biennia.

***Distinction between one-time and ongoing costs:***

All costs are ongoing.

***Effects of non-funding:***

If CA is unable to earn the Title IV-E assumed in the 2003-05 Budget, staffing reductions in all areas of the administration could result.

***Expenditure Calculations and Assumptions:***

<u><b>Object Detail</b></u>		<u><b>FY 1</b></u>	<u><b>FY 2</b></u>	<u><b>Total</b></u>
Program Totals				
<b><u>DSHS Source Code Detail</u></b>				
<b>Program 010</b>		<u><b>FY 1</b></u>	<u><b>FY 2</b></u>	<u><b>Total</b></u>
<b>Fund 001-1, General Fund - Basic Account-State</b>				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	2,600,000	2,600,000	5,200,000
<i>Total for Fund 001-1</i>		<u>2,600,000</u>	<u>2,600,000</u>	<u>5,200,000</u>
<b>Fund 001-A, General Fund - Basic Account-DSHS Fam Support/Chi</b>				
<u>Sources</u>	<u>Title</u>			
658L	Title IV-E-Foster Care (50%)	(2,600,000)	(2,600,000)	(5,200,000)
<i>Total for Fund 001-A</i>		<u>(2,600,000)</u>	<u>(2,600,000)</u>	<u>(5,200,000)</u>
<b>Total Program 010</b>		<u>0</u>	<u>0</u>	<u>0</u>